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To: Microsoft ATR
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Subject: Stop MS, it's enough !!

Red Hat Proposes to Enhance Microsoft Settlement Offer By Providing Open Source Software to All U.S. School Districts

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Open Source leader proposes to provide software to every school district in the United States if Microsoft provides computing hardware for the 14,000 poorest school districts

RESEARCH TRIANGLE PARK, N.C.--(BUSINESS WIRE)--Nov. 20, 2001--Red Hat, Inc. (Nasdaq:RHAT - news) today proposed an alternative to the settlement announced today of the class-action lawsuit against Microsoft. Red Hat offered to provide open-source software to every school district in the United States free of charge, encouraging Microsoft to redirect the money it would have spent on software into purchasing more hardware for the 14,000 poorest school districts. Under the Red Hat proposal, by removing Microsoft's higher-priced software from the settlement equation, Microsoft could provide the school districts with many more computers--greatly extending the benefits Microsoft seeks to provide school districts with their proposed settlement.

Microsoft had proposed that, in settlement of class-action claims of price-gouging, the company donate computer hardware, software and support to 14,000 poor school districts throughout the United States. Under the proposed settlement, a substantial part of the value provided to schools would be in the form of Microsoft software.

The Red Hat's alternative proposal includes the following:

- * Microsoft redirects the value of their proposed software donation to the purchase of additional hardware for the school districts. This would increase the number of computers available under the original proposal from 200,000 to more than one million, and would increase the number of systems per school from approximately 14 to at least 70.
- * Red Hat, Inc. will provide free of charge the open-source Red Hat Linux operating system, office applications and associated capabilities to any school system in the United States.
- * Red Hat will provide online support for the software through the Red Hat Network.
- * Unlike the Microsoft proposal, which has a five-year time limit at which point schools would have to pay Microsoft to renew their licenses and upgrade the software, the Red Hat proposal has no

time limit. Red Hat will provide software upgrades through the Red Hat Network online distribution channel.

A Win-Win Approach

The Red Hat proposal achieves two important goals: improving the quality and accessibility of computing education in the nation's less-privileged schools, and preventing the extension of Microsoft's monopoly to the most-vulnerable users.

"While we applaud Microsoft for raising the idea of helping poorer schools as part of the penalty phase of their conviction for monopolistic practices, we do not think that the remedy should be a mechanism by which Microsoft can further extend its monopoly," said Matthew Szulik, CEO of Red Hat. "Through this proposal all of the states and all of the schools can win, and Microsoft will achieve even greater success for its stated goal of helping schools. By providing schools with a software choice, Red Hat will enable Microsoft to provide many more computers to these schools. At the same time, the schools can accept this offer secure in the knowledge that they have not rewarded a monopolist by extending the monopoly. It's now up to Microsoft to demonstrate that they are truly serious about helping our schools."

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